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August 7, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Edward G. Henifin
Director/CEO
JXN Water Inc.
802 Lakeland Drive, APT 414
Jackson, Mississippi 39216

Re: *Lakeland Seniors, LLC's Notice of Claim against JXN Water Inc. pursuant to Miss. CODE ANN. §11-46-11.*

Mr. Henifin:

Please accept this notice of claim against JXN Water Inc. pursuant to Miss. CODE ANN. § 11-46-11.

We represent Lakeland Seniors, LLC ("Lakeland"), a Nevada limited liability company registered to do business in the State of Mississippi. Lakeland's principal office address at the time of the injury and now is 795 Ridge Lake Boulevard, Suite 300, Memphis, Tennessee 38120.

Lakeland owns and operates the Lakeland Seniors Apartments located at 848 Lakeland Drive, Jackson, Mississippi and did so at the time of the injury. Upon information and belief, UMMC owns the immediately adjacent property to the east of Lakeland Senior Apartments.

Beginning in June 2020, Lakeland entered into contracts for the performance of work to improve its property, including a contract for foundational work (the "Project") and the repair and resurfacing of the parking lot (the "Lot"). Throughout the work on the Project, excess and unexpected water and/or other aqueous substances were encountered, which continuously filled the trenches dug for purposes of reinforcing the apartment building's foundation. The continual presence of the unexpected water and/or other aqueous substances seeping up from the ground beneath the apartment building slowed the progress on the Project and increased the overall Project cost.

Similarly, the presence of water and/or other aqueous substances seeping up from the ground and/or flowing onto the Lakeland Property from UMMC's neighboring property were encountered in the Lot. The excess water delayed the final paving of the Lot by several months while the source of the water and/or other substances was investigated.

On or about November 2022, Lakeland discovered that water and/or other aqueous substances was migrating from UMMC's property. Upon further inquiry, Lakeland became aware that a meter



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owned and operated by JXN Water Inc. and/or the City of Jackson, Mississippi that is located on UMMC's main water line was faulty. Lakeland further discovered that a fire hydrant located on adjoining UMMC property was also leaking excess water that was migrating to the Lakeland Property.

On or about November 2022, Lakeland notified the City of Jackson, Mississippi, JXN Water Inc., and UMMC of the faulty water line and fire hydrant. While UMMC sent someone to the site to investigate, upon information and belief, the City of Jackson, Mississippi, JXN Water Inc., and UMMC undertook no further action with respect to Lakeland's complaint/notification.

Lakeland retained an analytical firm to further investigate the source(s) of the aqueous substances. Samples were taken from various locations on Lakeland's Property, and subsequent testing, including dye tracing and in-camera scoping of the sewer lines on UMMC's property determined that sewage, groundwater, and other contaminated materials were migrating from the City of Jackson, Mississippi's, JXN Water Inc.'s, and UMMC's property, water lines and sewage systems onto and beneath the Lakeland Property causing subsurface flooding, threatening the structural integrity of Lakeland's Lot, and substantially delaying the Project.

To minimize the hazards and inconvenience the unpaved Lot posed to the Lakeland Seniors Apartments residents, Lakeland had no choice but to attempt to complete the paving of the Lot Within days, however, the Lot began to sink. Further investigation by Lakeland in May 2023 identified a broken sewer line on UMMC's property and the presence of sewage both in the Lot and under Lakeland's building. To properly complete the Lot, the asphalt will have to be removed and the Lot repaved and striped after the water and sewer issues are abated.

On or about June 2, 2023, Lakeland informed the Mississippi Department of Environmental Quality, the Mississippi Department of Health, and the City of Jackson, Mississippi of UMMC's, the City of Jackson, Mississippi's, and JXN Water Inc.'s still-broken water meter and the sewage contamination of the groundwater.

Upon information and belief, UMMC owns and is responsible for the water lines on its property after the meter and the sewage lines on its property to the property line, and the City of Jackson, Mississippi and/or JXN Water Inc. own and are responsible for the maintenance and repair of water meters and fire hydrants as well as all sewer lines from UMMC's property line to the sewage treatment facilities.

As a result of UMMC's, the City of Jackson, Mississippi's, and/or JXN Water Inc.'s failure to evaluate and ensure that their facilities and systems operated within the applicable standard of care and to investigate and remediate the water and sewage migrating from its property onto Lakeland's property, Lakeland has suffered damages including, but not limited to, increased construction costs resulting from attempts to mitigate the excessive groundwater and sewage during the Project and will incur the cost of removing the existing asphalt and repaving and re-striping the Lot.

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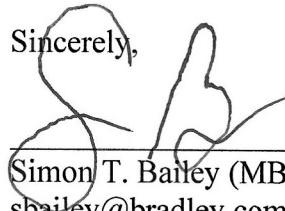
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Persons and entities involved in the subject matter include, but are not necessarily limited to, the following: UMMC, UMMC's Executive Board Members, the City of Jackson, Mississippi, JXN Water Inc. (previously known as the City of Jackson's Water and Sewer Business Administration), Edward G. Henifin, Ewing & Ray Foundation Services, DaWandra Hopkins, Patrick Armon, Elliott Holmes, Ben Trombly, Percy Evans, Roderick Wilson, Cleotha Sanders, and Brooks Moore.

Lakeland intends to assert and pursue all available remedies against JXN Water Inc. and otherwise as the facts may develop including monetary damages related to the conduct of JXN Water Inc. for the maximum amount allowed under all applicable law, including the Mississippi Tort Claims Act, but not less than \$500,000. Lakeland will pursue damages in excess of the Tort Claims Act's statutory cap, to the full extent of the responsible parties' applicable insurance coverage, if allowable. Lakeland's damages include, but are not limited to, actual damages, costs of remediating and repairing JXN Water Inc.'s damages to the Lakeland Property, loss of use damages, damages related to the Lakeland Property's devaluation, increased costs suffered by Lakeland in an attempt to remediate the effects of JXN Water Inc.'s trespass, nuisance and negligence, and additional damages to compensate for the commercial harm suffered by Lakeland. It also may seek to recover attorneys' fees and costs, which cannot now be quantified. In total, the cost of the harm Lakeland has suffered is, on information and belief, not less than \$3,000,000.

The foregoing is not intended to be a complete recitation of all applicable law or facts. Lakeland does not waive or relinquish any of its rights or remedies, whether legal or equitable, all of which it expressly reserves, including its right to all available remedies against JXN Water Inc. under applicable law, including but not limited to the recovery of costs and attorneys' fees.

Sincerely,



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